

Virginia Coastal Resilience Master Plan
Technical Advisory Committee – Finance Subcommittee

Subject	Finance Subcommittee Meeting #7 Virginia Coastal Resilience Master Planning Framework	Date	August 30, 2021
Facilitator	Elizabeth Andrews	Time	10:00am – 12:00pm
Location	WebEx - https://governor.virginia.gov/join/4i	Scribe	Emily Sokol

Invitees/Attendees			
#	Name	Organization/Role	Attended?
Finance Subcommittee Members and Staff Advisors			
1.	Elizabeth Andrews - Chair	Director, Virginia Coastal Policy Center at William & Mary Law School	Y
2.	Peter D'Alema – Vice Chair	Director of Program Management, Virginia Resource Authority	Y
3.	Laura McKay – Staff Advisor	Program Manager, Virginia Coastal Zone Management Program	Y
4.	Clyde Cristman	Director, Department of Conservation and Recreation	Y
5.	Bob Crum, Jr.	Executive Director, Hampton Roads Planning District Commission	Y (V)
6.	Dr. Troy Hartley	Director, Virginia Sea Grant	Y
7.	Traci Munyan	Program Administrative Manager, Department of Housing and Community Development	Y (V)
8.	Richard Klein	Civil Works Program Manager, United States Army Corps of Engineers, Norfolk District	Y (V)
9.	Lewis Lawrence	Executive Director, Middle Peninsula Planning District Commission	Y (V)
10.	Stephen Moret	President & CEO, The Virginia Economic Development Partnership	Y
11.	Robbie Coates	Grants Division Director, Virginia Department of Emergency Management	Y
12.	Eric Letsinger	CEO, Quantified Ventures	Y
Scheduled Speakers			
Designated Alternates			
13.	Lee Hutchinson	Resiliency Program Analyst, Department of Housing and Community Development	Y
14.	Curtis Smith	Deputy Director, Middle Peninsula Planning District Commission	Y (V)
15.	Erin Sutton	Chief Deputy, Virginia Department of Emergency Management	
Subcommittee Advisors			
16.	Ivan Cruz	Virginia Department of Transportation	Y (V)
Other Participants			
17.	Ann Phillips	Rear Admiral, US Navy (Ret.) – Office of the Governor	Y
18.	Connor Winstead	VA Dept. of Conservation & Recreation	Y (V)
19.	Matt Dalon	VA Dept. of Conservation & Recreation	Y
20.	Grace Tucker	Environmental Defense Fund (EDF)	Y (V)
21.	Nick Meade	DEQ	Y (V)
22.	Denise Nelson	Environmental Engineer, George Washington Regional Commission	Y (V)
23.	Emily Steinhilber	EDF	Y (V)
24.	Shurui Zhang	Commonwealth Fellow	Y (V)
25.	Carol Considine	ODU	Y (V)
26.	Jason Powell		Y (V)
27.	Margaret Rockwell		Y (V)
28.	Matt Jones		Y (V)
29.	Barrett Hardiman		Y (V)

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Consultant Support			
30.	Jessica Fleck	Dewberry	Y (V)
31.	Caroline Whitehead	Dewberry	Y (V)
32.	Emma Kilkelly	Dewberry	Y (V)
33.	Emily Sokol	Vision Planning and Consulting	Y (V)

Agenda/Minutes		
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1.	Roll Call and Quorum Affirmation	Elizabeth Andrews called the meeting to order at 10:05 am and asked Laura McKay to take roll to establish a quorum. Laura advised that a quorum was present.
2.	Welcome and Chapter 1289 Reading	<p>Elizabeth announced that if a disruption occurs in the WebEx meeting, please contact Nick Meade at nick.meade@deq.virginia.gov or 804-317-3638. Nick posted this information in the Chat box.</p> <p>Elizabeth advised all public attendees to insert questions in the chat box, which would be moderated by Nick Meade throughout the meeting, and noted that members of the public can post comments on the FOIA Council's public comment form (http://foiacouncil.dls.virginia.gov/sample%20letters/welcome.htm).</p>
3.	Discussion of Proposed Subcommittee Recommendations	<p>Elizabeth advised that the goal of the Subcommittee meeting was to review the proposed Subcommittee recommendations, make edits, and vote to finalize the recommendations. The recommendations would then be submitted to the TAC on September 2nd for approval and incorporation into the 90% draft CRMP document being developed by Dewberry. The intent of the recommendations is to improve the alignment of the various funding sources available for resiliency projects, many of which have been presented throughout previous Subcommittee meetings.</p> <p>Elizabeth and Peter D'Alema reviewed the list of proposed recommendations, noting that they have been drafted based on the three main types of resiliency projects for which funding sources need to be aligned:</p> <ol style="list-style-type: none"> 1. Resiliency projects of regional importance that cross local government jurisdictional and possibly state lines that require a regional or multi-jurisdictional approach 2. Resiliency projects of local importance and scope that can be funded by a single Virginia local government, or a single locality can take the lead 3. Resiliency projects that are deemed to be micro / privately owned where the benefit is for a private landowner and / or commercial entity <p>Elizabeth and Peter described the three primary recommendations, as well as their reasoning for including each recommendation, the intent of each recommendation on both a short and long-term timeline, and the edits that have been made to each recommendation since the last Subcommittee meeting:</p> <ul style="list-style-type: none"> - Establish a Mechanism for Ensuring the State's Overarching Resilience Funding Priorities Are Taken into Account (Not Just Local): two subparts have been added to the draft recommendation, incorporating concepts discussed at the last Studies, Research, and Best Practices Subcommittee meeting. - Provide Funding for State Climate Adaptation Planning Staff

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		<ul style="list-style-type: none"> - Establish a Resiliency Revolving Loan Fund (two edits have been made to add the TPO-type concept after Bob Crum’s presentation, and to add the concept of interest earned being dedicated to funding regional planning efforts) (See Attached Document for descriptive language of each recommendation) <p>Elizabeth opened the floor to the Subcommittee to provide comments and edits to the proposed recommendations.</p> <p>Recommendation A2</p> <p>Discussion Point- Eric Letsinger: You mentioned that the two additions you made under Recommendation A were addressed in the SRBP meeting. For the second addition regarding the financial analysis, would this be a sophisticated assessment of different levels of investment and funding sources?</p> <ul style="list-style-type: none"> - Elizabeth: That depends on how much funding is available for conducting these assessments. The goal is to determine whether it would be best to continue to invest in adapting public infrastructure subject to increasing flooding, or perhaps abandoning it and using alternative infrastructure – assess all options. - Troy Hartley: What about other considerations beyond just fiscal, such as impacts on vulnerable communities? - Elizabeth: Those are important too; we just limited the language to a fiscal assessment because this is the Finance Subcommittee. - Peter D’Alema: We can add to the statement to say, “Include a financial analysis of adapting vs. abandoning public infrastructure, while also including policy factors that may not be exclusively financial in nature.” - Clyde Cristman: Eric, is part of your concern that, based on the phrasing of the statement, it may suggest that there are only two options to consider- adapting vs. abandoning, when there are actually a range of options? - Eric: Yes, that is one of my concerns. - Elizabeth: What is an alternative way to phrase it to be more inclusive of the variety of options? - Eric: Is adaptation being defined by any of the other Subcommittees in a way that can guide our word choice? - Rear Admiral Ann Philips: That is a great question that we continue to ask. We have defined resiliency but not adaptation. - Lewis Lawrence: Why don’t you just add the phrase, “including, but not limited to,” to imply a range of options? - Elizabeth: So, we can change the wording to say, “Incorporating a financial analysis of options for public infrastructure, including but not limited to adapting and abandoning, while also considering other policy factors that may not be exclusively financial in nature.” <p>Discussion Point- Another problem with the phrasing of adapting vs. abandoning is that an additional option is to not do anything at all.</p> <ul style="list-style-type: none"> - Lewis: Is anyone from VDOT in the room? Because, abandoning means something very particular to VDOT and can trigger particular actions. We might not want to use the word abandon if it means different things to different entities.

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		<ul style="list-style-type: none"> - Elizabeth: No, we do not have anyone from VDOT in the room. [note: Ivan Cruz had trouble connecting, so the group did not realize he was in attendance virtually.] How do we make a change to phrasing that does not make this recommendation too long-winded? - Clyde: What if you replace the word “abandon” with “retreat?” - Robbie Coates: We could drop the word “abandon” and just say “adaptation options,” because abandoning is technically a type of adaptation option. - Eric: I support that change in wording. Adaptation is a good higher-level, inclusive term. <p>Final Phrasing of Recommendation A2: “Incorporating a financial analysis of adaptation options for public infrastructure, while also considering other policy factors that may not be exclusively financial in nature.”</p> <p>Recommendation B:</p> <p>Discussion Point- Eric: Elizabeth, regarding Recommendation B, do you believe that this list is meant to put the Commonwealth in a good position for capacity as we move forward into future iterations of the CRMP? Is the intent that these recommendations may be amended and added to in the future?</p> <ul style="list-style-type: none"> - Elizabeth: Yes, the goal is to create a good foundation. Interestingly, the more the Commonwealth converts to renewable energy and becomes more resilient, the less resiliency dollars we will have from the RGGI auction proceeds. We recognize that the Community Flood Preparedness Fund is not a permanent funding source. There is a large problem at hand, in which there is no staffing budget to expand the State’s capacity in supporting localities to find and achieve funding sources. - Clyde: The first grant round for the Community Flood Preparedness Fund ends on September 3rd, which is this week. The next grant round is simultaneously occurring. Hopefully, we will gain more administrative coordination moving forward and being to fill positions soon. - Elizabeth: What is the plan right now for the project database that Dewberry is pulling together? Where will their work be housed? - Rear Admiral Phillips: It will all be housed in DCR. There will be ongoing costs to maintain the databases, so those maintenance costs will need to be recognized and addressed moving forward. - Elizabeth: One goal is to keep these recommendations broad and flexible, leaving the decisions about the exact number of staff and where they should be housed to the next Administration and the General Assembly. - Rear Admiral Phillips: There is ongoing discussion regarding my current position and where it will be housed, whether that is in the Office of the Governor, or not. <p>Discussion Point: At the end of the first paragraph for Recommendation B, the functions of the proposed staff should say, “Including but not limited to,” to emphasize that there are likely additional tasks that will need to be assumed in this complicated process.</p> <ul style="list-style-type: none"> - Elizabeth: Agreed.

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		<p>Discussion Point- Clyde: Housing an additional revolving loan fund in or adjacent to existing revolving loan funds could be important for sharing existing knowledge with the funding alignment process.</p> <ul style="list-style-type: none"> - Elizabeth: We have discussed how layering different funding sources can be accomplished at previous meetings. Lewis provided a great understanding of how his PDC achieves this. One thing we discussed was having state staffers who can help put together grant proposals and have specific knowledge regarding how to layer funding sources. - Clyde: That is what is missing in nearly every state. You either have the knowledge of financing or the technical project knowledge. It is very difficult to find localities with both. - Elizabeth: Yes, the functions of the staff, which are outlined in the fifth bullet, are extremely large tasks that encompass the difficulties of the entire process. Having funding staff with the capability and time to find and achieve funding sources is very important. - Laura: I am unsure if or where we should suggest that these positions exist. Should they be housed in DCR, the Office of the Governor, or in the PDCs themselves. You could suggest expanding the capacities of the PDCs by housing these staffing positions in the PDCs. - Elizabeth: As Lewis has discussed previously, this process is largely influenced by political will. Leaving the recommendation as it is may be leaving the exact solution for another day. However, for this first iteration, we want to make clear that thought should come from the State regarding expanded staffing. - Laura: If we could establish a pot of money for funding staffing positions so that they are not competing for funding against large resiliency projects, that may be a more effective avenue. - Elizabeth: Should there be language included in Recommendation B to address that? - Lewis: Laura, that process might be enhanced if you could guide localities through language similar to the 309 grants language. You do not want to give localities the perception that they can receive money to increase capacity without making concerted efforts to move into the implementation phase. - Laura: Yes, they would need to develop a scope of work and specified deliverables. - Lewis: Yes, you can make it implicit or explicit that if they take these resources, they are expected to move into implementation, rather than stay in the planning process, within some reasonable timeframe. Many localities will stay in the planning space because there is often no political will to move out of that space. - Clyde: Funding for staffing is very complex. It involves soft and hard funding, as well as funding from various planning and implementation process funding sources. It is a very difficult exercise. What combination of these can be used to fund these staffing positions? The goal of these recommendations may simply be to tell the State what they need to focus on and what questions they need to answer. We could simply acknowledge in the first paragraph the qualities of this process that make this challenging and what problems they might face, rather than explicitly trying to solve the problem for them.

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		<p>An additional phrase was added to Recommendation B to identify that “these positions could be funded via a dedicated source...”</p> <p>Discussion Point- Clyde: One question that will need to be answered is who will be working to get projects funded by various funding mechanisms. Statewide, what does this process look like?</p> <ul style="list-style-type: none"> - Elizabeth: It is about strategizing the best funding sources. If you apply to every source that is potentially appropriate, there is no strategy and, likely, wasted time. - Lewis: One aspect of this process that we have not addressed is that the unstacking and decoupling process is even harder. That is where the extreme complexity comes into this process. Just because a project is funded, allocating the money to make the project flow correctly is much more complicated. We have not addressed that problem. There is a perception that, once a project is funded it gets easier, but reimbursement, cash flow, etc. amplify the difficulty. Most local governments are not equipped to deal with grant management issues. <p>An additional phrase was added to Recommendation B to emphasize that staff functions include “assisting with complex financial management” and “navigating appropriate funding mechanisms.”</p>
4.	Public Comment Period	Elizabeth opened the floor for public comment. Nick Meade advised that no one had signed up for public comment. He gave all attendees time to provide additional comments. No comments were posed.
5.	Wrap-Up and Motion to Adjourn	<p>Elizabeth conducted a voice vote to finalize the list of recommendations. The proposed recommendations were approved unanimously. Elizabeth advised that the recommendations would be proposed at the September 2nd TAC meeting, which she verified would be taking place in-person in Richmond.</p> <p>Elizabeth advised the Subcommittee that the meeting agenda, minutes, and presentations would be posted online to allow for further review. She thanked the Subcommittee members, Vice Chair Peter D’Alema, and Staff Advisor Laura McKay for all of their hard work and adjourned the meeting at 11:15 am.</p>

Action Items			
#	Action Item	Owner (Organization)	Due Date
1.			

If you have any questions, please contact Emily Sokol, Vision Planning and Consulting, at esokol@vision-pc.net.